

Human Resources

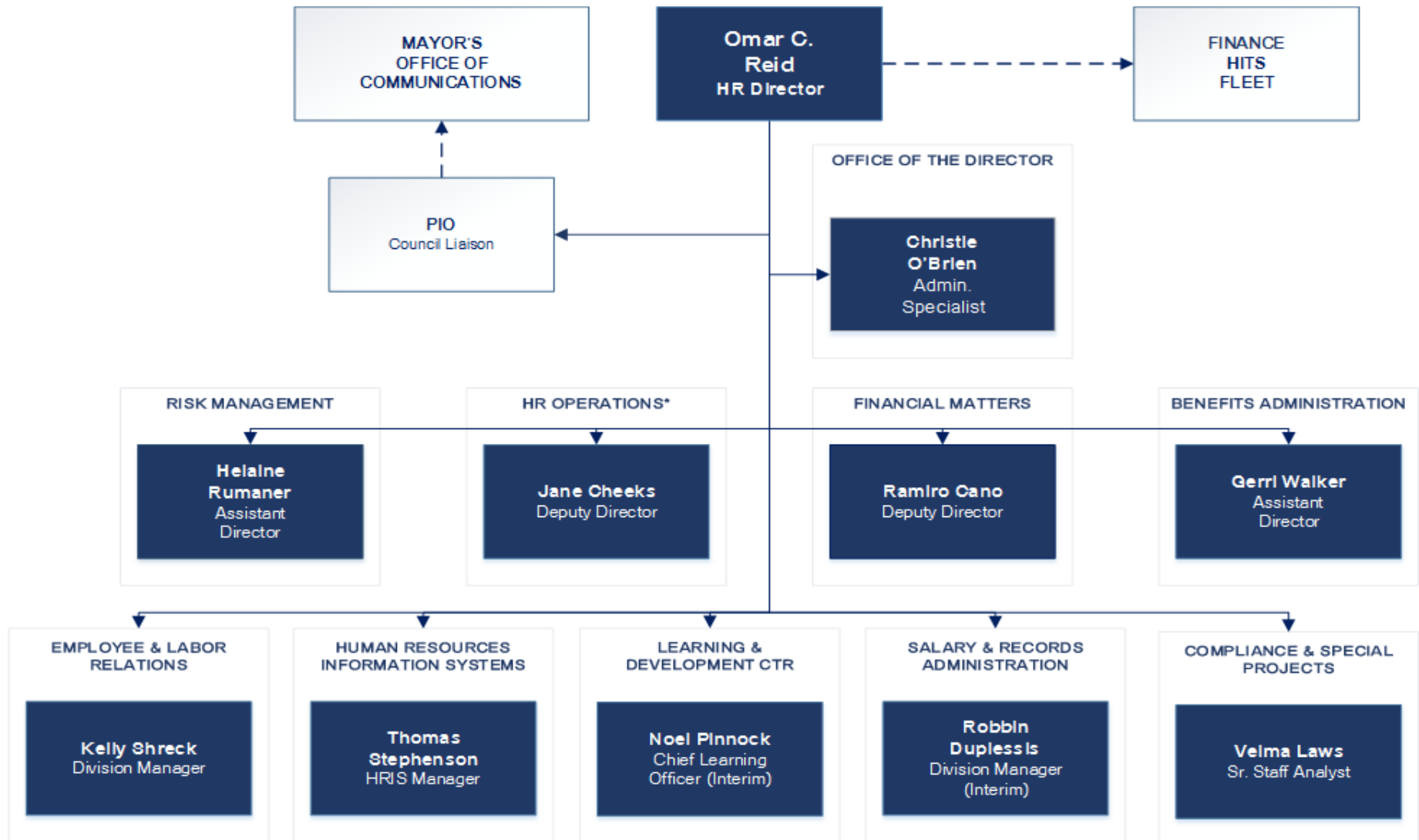
FY2015 Budget and Core Services Presentation

Omar C. Reid, Director

June 4, 2014



Organizational Chart



FY14 Accomplishments

Enhanced the comprehensive wellness program that contributed to the Health Benefits Fund Balance of \$43.1

Negotiated a new medical plan TPA contract that resulted in cost-savings of \$16.4 million

Reduced health care premiums and lowered employee co-payments returning \$3.1 million to our employees and retirees.

Implemented free prescription generic cholesterol for all members and diabetic medications & test strips for the diabetic population covered by the health plan

Graduated 142 Front Line, Mid Managers and Executive Level employees from the Leadership Institute Program

Reduced Resource Allocation Program recordable injuries by 13% from FY2013 1,268 injuries to FY2014 1,108 estimated injuries

Implemented new employee appraisal system HEAR which incorporates SMART goals

Finalized certification of first group of Department Union Representatives

Budget Summary (All Funds)

(in millions)

FUNDS	Revenue FY14 Budget	Revenue FY15 Proposed	Incr./ (Dec.)	%	Expenditure FY14 Budget	Expenditure FY15 Proposed	Incr./ (Dec.)	%	Fund Balance FY14 Budget	Fund Balance FY15 Proposed
Client Relations (1002)	\$12.0	\$12.8	\$0.8	6.7%	\$12.0	\$12.8	\$0.8	6.7%	S	S
Learning & Development Center (1002)	\$1.9	\$1.9	\$0.0	0.0%	\$1.9	\$1.9	\$0.0	0.0%	S	S
Temp. Employee Services (1002)	\$14.0	\$15.3	\$1.3	9.3%	\$14.0	\$15.3	\$1.3	9.3%	S	S
Total Central Svc Revolving Fund (1002)	\$27.9	\$30.0	\$2.1	7.5%	\$27.9	\$30.0	\$2.1	7.5%	S	S
Workers' Compensation (1011)	\$24.9	\$26.2	\$1.3	5.2%	\$24.6	\$25.9	\$1.3	5.3%	S	S
General Fund (1000)	\$0.0	\$0.0	\$0.0	0.0%	\$3.6	\$3.6	\$0.0	0.0%	-	-
Health Benefits (9000)	\$357.1	\$343.8	-\$13.3	-3.7%	\$357.1	\$343.8	-\$13.3	-3.7%	\$9.2	\$43.1
LTD (9001)	\$1.3	\$1.3	\$0.0	0.0%	\$1.5	\$1.6	\$0.1	6.7%	\$0.3	\$0.1
Total Human Resources	\$411.2	\$401.3	-\$9.9	-2.4%	\$414.7	\$404.9	-\$9.8	-2.4%	\$9.5	\$43.2

Central Svc Revolving Fund (1002) is comprised of Client Relations, Learning & Development Ctr. and Temp. Employee Svcs.

S = Service Chargeback Fund 4

FY 2015 Initiatives

Risk Management

- Partner HR/RM safety professionals with all departments to support safety, identify and mitigate catastrophic accidents and control high frequency injury types
- Train on Root Cause Investigations, focusing on cause, control and prevention in addition to department specific training
- Increase usage of Medical Disability Guidelines to decrease overall length of injury related disability

Employee Relations

- Update and provide the web-based and instructor-led mandatory annual training programs on Executive Order 1-50: Workplace Discrimination and Harassment
- Implement new Positive Corrective Discipline program citywide

Client Relations

- Implementation of NeoGov On-boarding, OrgPlus and HR Capital module in SAP which will enhance the workflow with departments' representatives.

Health Benefits

- Transition the wellness program to an electronic employee participation platform
- Optimize Benefits Administration Service Center

FY 2015 Initiatives

HRIS

- Complete SAP First Project to implement Employee Self-Service (ESS) and Manager Self-Service (MSS)

Learning & Development Center

- Implementation of cloud based Talent Management Module in SABA

Salary Administration

- Market comparisons of total compensation
- Compensation philosophy initiative
- Job classification/ description review and update

Special Projects & Compliance

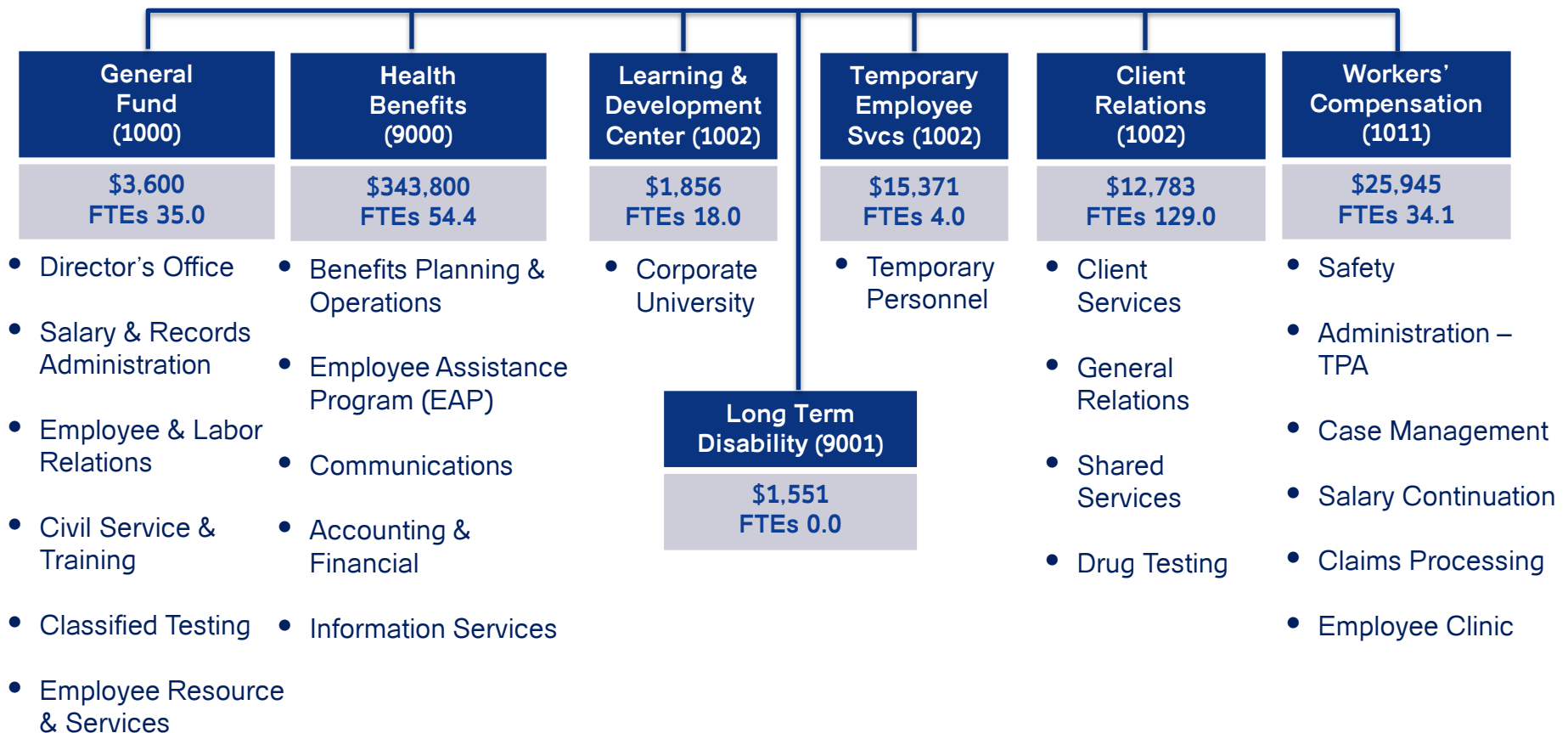
- Employee Suggestion Program
- Summer Jobs Programs (400 students)
- Find Your Path Career Day Expo (5,000 students)

Operating Funds

(in thousands)

Omar C. Reid, HR Director

\$404,906
FTEs 274.5



Functions - General Fund

(in thousands)

Omar C. Reid, HR Director

\$3,600
FTEs 35.0

**Director's
Office (1000)**

\$619
FTEs 2.0

- Oversees all activities of the department.
- Provides guidance and initiates HR policies citywide and directs the Civil Service Commission.

**Employee & Labor
Relations (1000)**

\$704
FTEs 7.0

- Manages the activities of the Civil Service Commission and the Police Officers' Civil Service Commission.
- Promotes compliance with EEO; the Americans with Disabilities Act; the Texas Public Information Act; union contracts; and the grievance process.

**Salary & Records
Administration (1000)**

\$878
FTEs 10.0

- Administers citywide classification and compensation programs.
- Custodian of the City's 40,000+ employee personnel records.

**Employment Resource
& Services (1000)**

\$876
FTEs 11.0

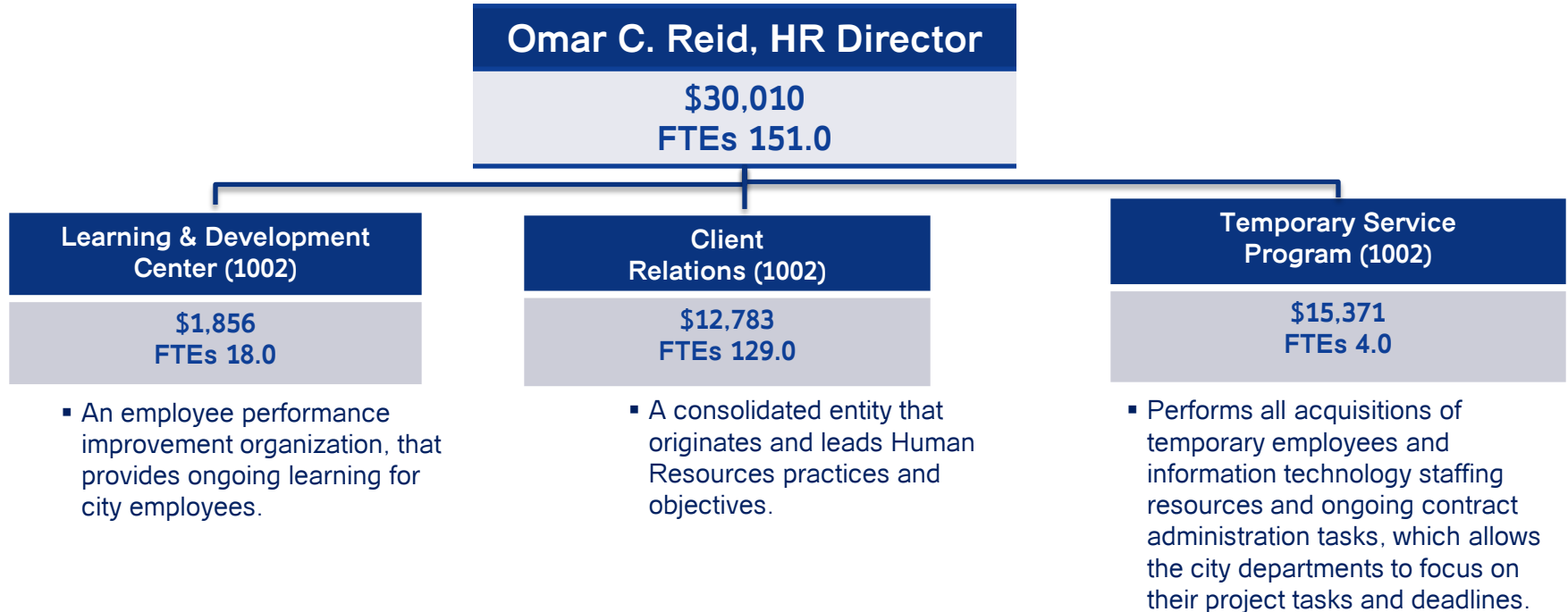
- Provides services that support applicants, candidates and current employees in the employment and promotional process.

**Classified
Testing (1000)**

\$523
FTEs 5.0

- Develops and administers promotional exams for HFD classified positions, assists in the administration of HPD classified positions and administers entrance exams for HPD and HFD

Functions – Service Chargeback Funds (in thousands)



These three divisions provide on-going citywide services.

Functions - Other Funds

(in thousands)

Omar C. Reid, HR Director

\$371,296
FTEs 88.5

Workers'
Compensation (1011)

\$25,945
FTEs 34.1

- **Workers' Compensation Program** is 100% self-insured, and is administered by our claim coordinators with third-party claim adjudication.
- **The Safety Division** administers the city's accident prevention program; investigates accidents; issues comprehensive safety studies; conducts safety education courses; and coordinates safety audits, inspections and surveys.
- **Employee Physical Exam and Drug Testing Facility** provides citywide drug testing and new employee medical screening services.

Long Term
Disability (9001)

\$1,551
FTEs 0.0

- Process long term disability claims for eligible employees.

Health
Benefits (9000)

\$343,800
FTEs 54.4

- Responsible for the strategic direction of the City's Benefits Program.
- Designs, procures, implements, communicates, and administers the City's Health Benefits Delivery System.
- Includes health, dental, vision, life insurance, two flexible spending accounts, and accrued leave donation.

Revenues by Fund

(in millions)

FUNDS	Revenue FY13 Actual	Revenue FY14 Budget	Revenue FY14 Estimate	FY15 Budget	Inc/(Dec) FY15 Bud vs. FY14 Est	%
Client Relations (1002)	\$10.6	\$12.0	\$12.0	\$12.8	\$0.8	6.7%
Learning & Development Center (1002)	\$0.0	\$1.9	\$1.9	\$1.9	\$0.0	0.0%
Temp. Employee Services (1002)	\$12.8	\$14.0	\$14.0	\$15.3	\$1.3	9.3%
Total Central Svc Fund (1002)	\$23.4	\$27.9	\$27.9	\$30.0	\$2.1	7.5%
Workers' Compensation (1011)	\$19.6	\$24.9	\$24.9	\$26.2	\$1.3	5.2%
General Fund (1000)	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Health Benefits	\$336.0	\$357.1	\$357.5	\$343.8	-\$13.7	-3.8%
LTD	\$1.3	\$1.3	\$1.3	\$1.3	\$0.0	0.0%
Total Human Resources	\$380.6	\$411.2	\$411.6	\$401.3	-\$10.3	-2.5%

FY2015 - Revenue Highlights

- Health Benefits Revenues are contributed by city employees and retirees.
 - Benefits paid 100% by the subscribers include:
 - Medical Flexible Spending Account
 - Dental
 - Supplemental Life Insurance
 - Vision
 - Dependent Care
- The other funds revenues are provided by City departments by direct charge backs (workers' compensation claims) or allocations based on headcount (long term disability).

Expenditures by Fund

(in millions)

FUNDS	Expenditure FY13 Actual	Expenditure FY14 Budget	Expenditure FY14 Estimate	Expenditure FY15 Proposed	Inc/(Dec) FY15 Bud vs. FY14 Est	%	FTEs FY14 Budget	FTEs FY15 Prop.
Client Relations (1002)	\$10.6	\$12.0	\$12.0	\$12.8	\$0.8	6.7%	128.0	129.0
Learning & Development Center (1002)	\$0.0	\$1.9	\$1.9	\$1.9	\$0.0	0.0%	18.0	18.0
Temp. Employee Services (1002)	\$12.8	\$14.0	\$14.0	\$15.3	\$1.3	9.3%	4.0	4.0
Total Central Svc Revolving Fund (1002)	\$23.4	\$27.9	\$27.9	\$30.0	\$2.1	7.5%	150.0	151.0
Workers' Compensation (1011)	\$19.6	\$24.6	\$24.6	\$25.9	\$1.3	5.3%	34.8	34.1
General Fund (1000)	\$3.5	\$3.6	\$3.6	\$3.6	\$0.0	0.0%	33.0	35.0
Health Benefits (9000)	\$313.0	\$357.1	\$323.7	\$343.8	\$20.1	6.2%	49.8	54.4
LTD (9001)	\$1.9	\$1.4	\$1.4	\$1.6	\$0.2	14.3%	0.0	0.0
Total Human Resources	\$361.4	\$414.6	\$381.2	\$404.9	\$23.7	6.2%	267.6	274.5

FY2015 – Expenditures Highlights

FTE Variances

❑ FTEs increased by 6.9:

◆ General Fund – Increased by 2.0

- Personnel for increased demand in mandated classified promotional testing

◆ Client Relations – Increased by 1.0

- Personnel for social media networking/ recruiting

◆ Workers' Compensation – Decreased by 0.7

- Vacancy Factor

◆ Health Benefits – Increased by 4.6

- Expansion of Health Benefits initiatives to include compliance, wellness and actuarial support

FY2015 – Expenditure (cont'd)

Central Services Fund (1002)

(in millions)

☐ Client Relations

\$0.8

- ◆ Increase due to HOPE (3%) & Pension increases

☐ Learning & Development Center

\$0.0

- ◆ Flat - increase absorbed by operating efficiencies in prior year

☐ Temporary Employee Services

\$1.3

- ◆ Includes a 5% catastrophic event contingency

FY2015 – Expenditures Highlights (cont'd)

Other Funds

(in millions)

❑ Workers' Compensation Fund

\$1.3

- ◆ Increase in medical expenses tempered by a decrease in recordable incidents

❑ General Fund

\$0.0

- ◆ Flat budget including HOPE (3%) & Pension increases

❑ Health Benefits

\$20.1

- ◆ 5% Contingency for retaining stop loss insurance > \$13 MM
- ◆ PPACA (Patient Protection and Affordable Care Act) > \$3.8 MM
- ◆ Medicare Advantage Program, Dental, Vision & Life Insurance > \$3.3 MM

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Human Resources

Thank You



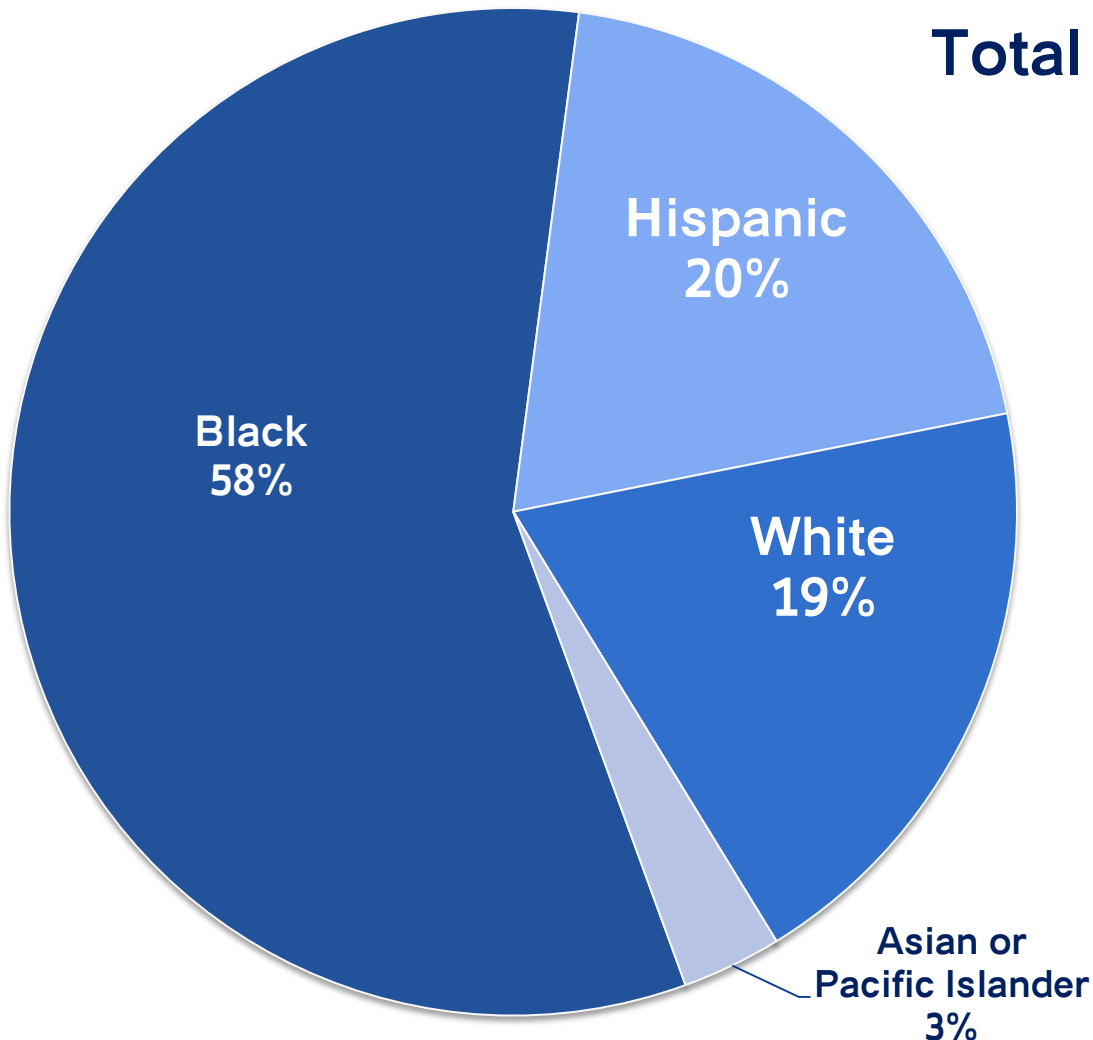
Appendix

HR Department Demographics

Total Employees: 253

Male: 20.6%

Female: 79.4%



Based on actual filled positions

Core Service Matrix

Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Director's Office	\$316	\$303	\$619	2.0	X		X	1000	Provides direction and support to the functions/ responsibilities of the various programs and for the departments.
Employment Resources & Svc	\$846	\$30	\$876	11.0	X		X	1000	Provides recruitment/selection support to departments. Tracks applicants, analyzes staffing trends and processes personnel actions. Ensures compliance with applicable laws, regulations and codes.
Records Administration	\$272	\$33	\$305	5.0	X		X	1000	Custodian of the City's approximately 40,000 personnel records for active and inactive employees. Administers the employment verification contract, ensuring vendor compliance. Ensures timely response to Texas Public Information Act requests, subpoenas and social services requests.

Core Service Matrix

Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Salary Administration	\$518	\$55	\$573	5.0	X		X	1000	Administers the city's classification and compensation systems to facilitate the acquisition and maintenance of an experienced, competitive workforce. Ensures compliance with all applicable laws, regulations and codes.
Employee & Labor Relations	\$661	\$43	\$704	7.0	X		X	1000	Promotes compliance (in areas such as EEO, ADA, TPIA, related laws, policies, and procedures; union contracts, and grievance processes) by providing advice, analysis, training, timely processing, policy and procedure development and updates, and data tracking. This division also handles administrative activities of the Civil Service Commission (CSC) and the Police Officers' CSC.
Classified Testing	\$477	\$47	\$524	5.0	X		X	1000	Fills all non-appointed classified positions in the Fire and Police Departments by developing and administering examinations mandated by Chapter 143 and service contracts with departments. Administers entrance examinations for the Fire and Police Departments mandated by Chapter 143.

Core Service Matrix

Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Temporary Employee Services Program	\$241	\$15,130	\$15,371	4.0	X		X	1002	Program is utilized by city departments as a vital component of the staffing strategy for peak load, pilot programs, grants, citywide events and special needs. The city uses 300-500 temporaries at any given time in diverse classifications: professional/technical, IT, administrative and service/maintenance.
HR Client Relations	\$11,310	\$1,473	\$12,783	129.0			X	1002	A consolidated entity that originates and leads Human Resources practices and objectives. The division fosters an employee-oriented, high performance culture that emphasizes goal attainment, team spirit, superior customer service, quality work, high efficiency and productivity.
Learning & Development Center	\$1,601	\$255	\$1,856	18.0			X	1002	The Learning and Development Center is an employee performance improvement organization that provides ongoing learning and development opportunities for employees to better serve the City of Houston's constituencies through the active acquisition and application of value-added knowledge, skills and abilities. The division also provides the LIP and CAPS program.

Core Service Matrix

Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Employee Clinic	\$248	\$24	\$272	3.8	X		X	1011	The Physical Exam Drug Testing section provides citywide drug testing for all applicants and employees. Additional services include timely medical screenings for individuals who are first responders. Drug testing processes are executed in a confidential manner for promotional, post-accident, random, follow- up and reasonable suspicion donors.
HR - Workers' Compensation Group	\$2,243	\$22,774	\$25,017	23.3	X		X	1011	Workers' Compensation Administration provides oversight and direction to WC programs via ongoing assessment and analysis of program functions as compared to city-wide activities including, coordination of accident prevention activities. The safety group also investigates accidents, safety issues, conducts safety education courses, safety audits, inspections and surveys.
WC Finance	\$642	\$14	\$656	7.0			X	1011	Provides statistical data in areas of accident prevention, worker's compensation claims losses and unemployment compensation. Provides financial reporting and budget management for Human Resources.

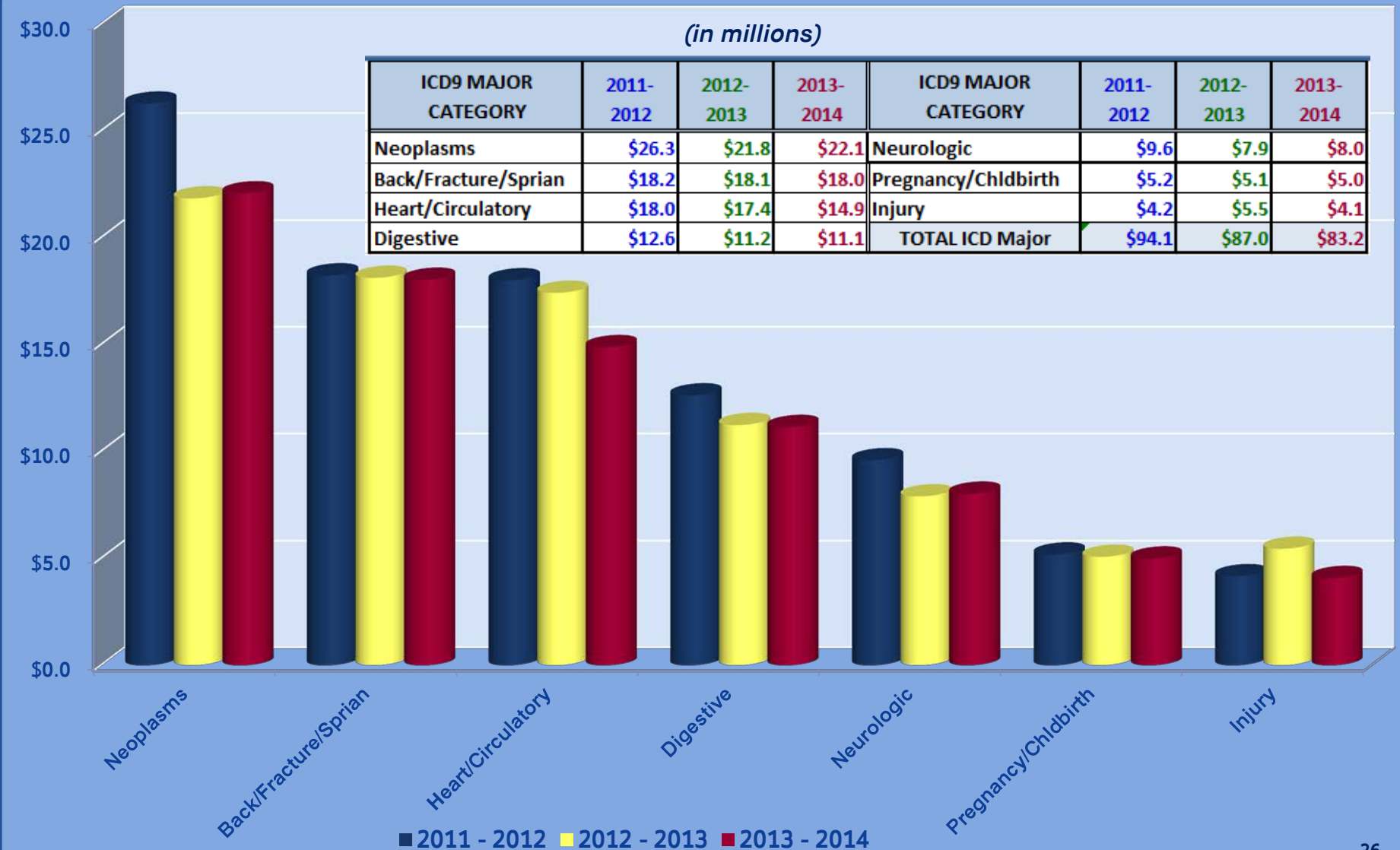
Core Service Matrix

Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Benefits Administration	\$2,861	\$1,698	\$4,559	33.6			X	9000	Develops and recommends the strategic direction of the Benefits Program that includes the Healthcare Delivery System and other welfare plans. Manages and handles all administrative process including records, transactions and eligibility of members. Administers award winning Wellness Program that informs and engages with demonstrated demographics health improvement.
Employee Assistance Program	\$266	\$329	\$595	3.0			X	9000	Provides confidential assessment, referral and short-term counseling to City employees with personal concerns that may adversely affect their work performance. The Program serves as a leader in complying with the Drug Free Workplace Act and provides consultation and education to supervisors and managers.
Communications	\$641	\$161	\$802	8.0			X	9000	Publishes three award-winning employee newsletters; benefits open enrollment materials; communication campaign for the wellness program, safety & WC programs. Coordinates employee recognition and other special employee programs, develops communication campaigns to educate employees in city-wide initiatives.

Core Service Matrix

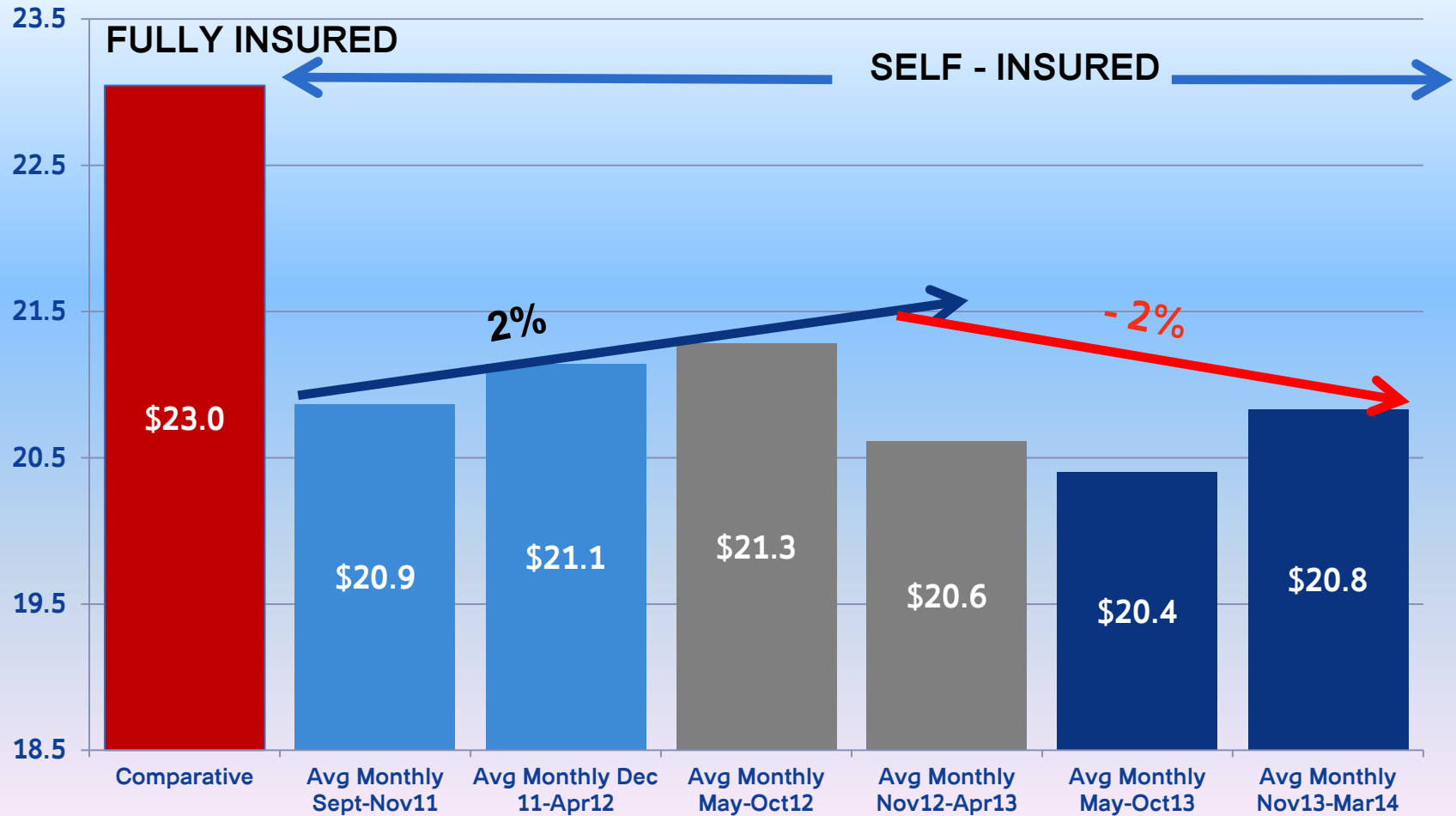
Activities	Annual Projected Personnel Cost	Annual Projected Supplies / Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Fund	Description
Benefits Financial/Reporting	\$1,156	\$336,687	\$337,843	9.8			X	9000	Assists in the design, maintenance and interpretation of management reports on operational and financial matters. Prepares the budget and monitor the financial impact of various benefit plans.
Long Term Disability	\$0	\$1,551	\$1,551	0.0			X	9001	Administers, analyzes and funds the city's Long-Term Disability Plan for eligible employees.
Total Human Resources	\$24,299	\$380,607	\$404,906	274.5				All	

Health Benefits ICD9 Disease Categories per quarter by Plan \$ Paid Incurred May 2011 – Paid thru April 2014 (annualized) (in millions)

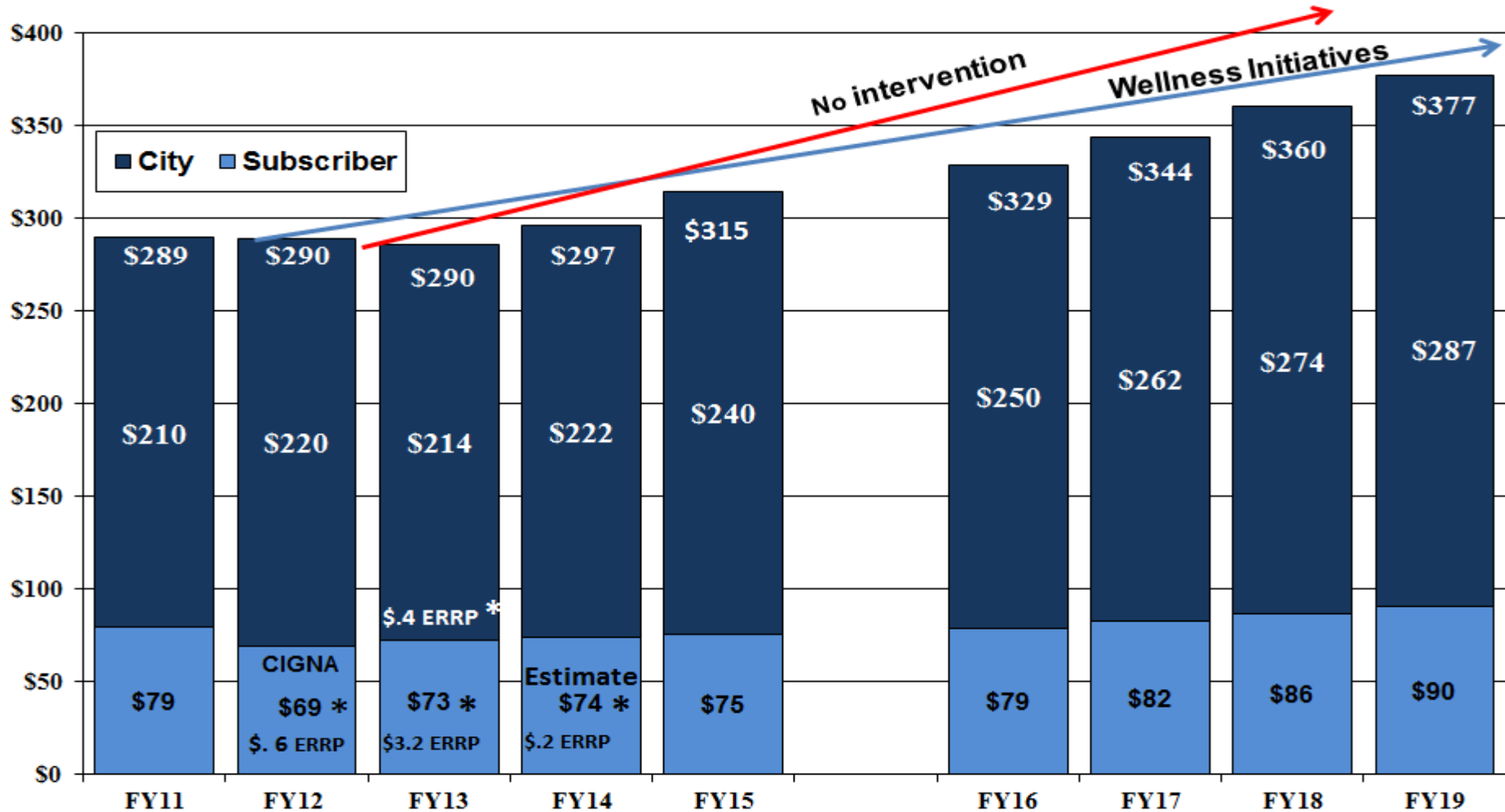


CIGNA Medical Claims Trend

(in millions)



Health Benefits Plan Expenses (in millions)

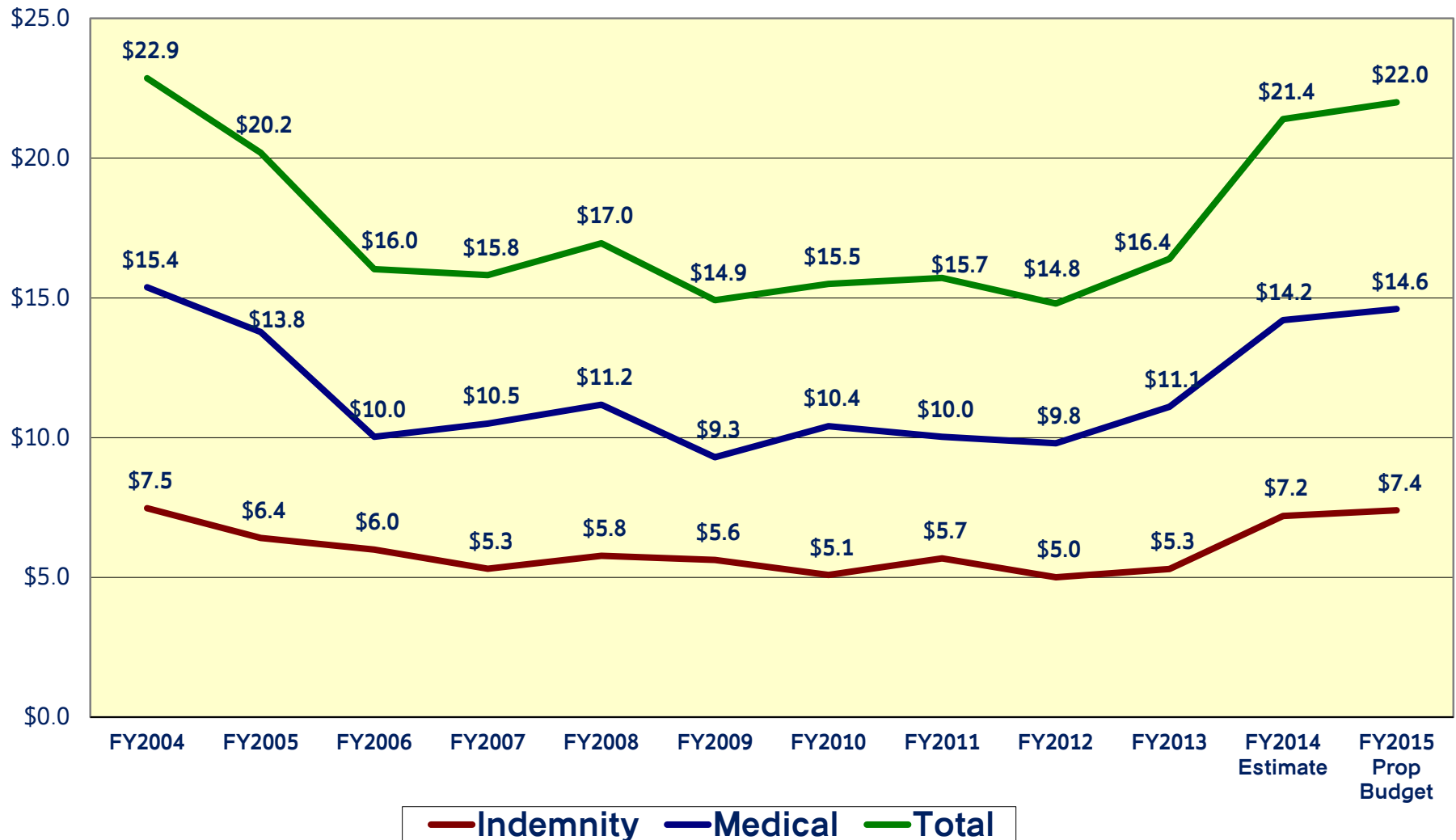


Note: Funding for the City does not include internal administrative costs.

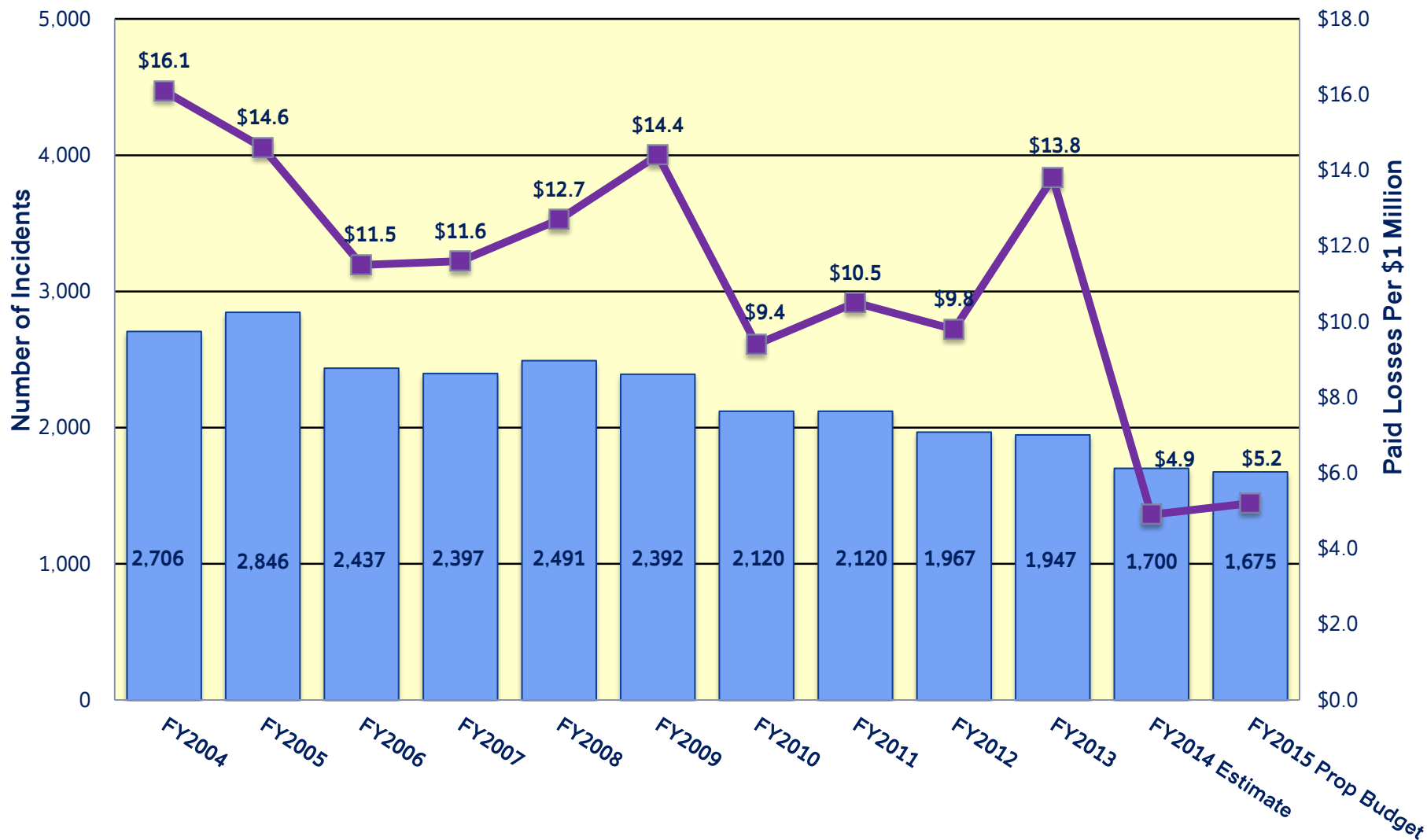
Assumes average 4.7% increase FY16 forward

* Net of ERRP Funds

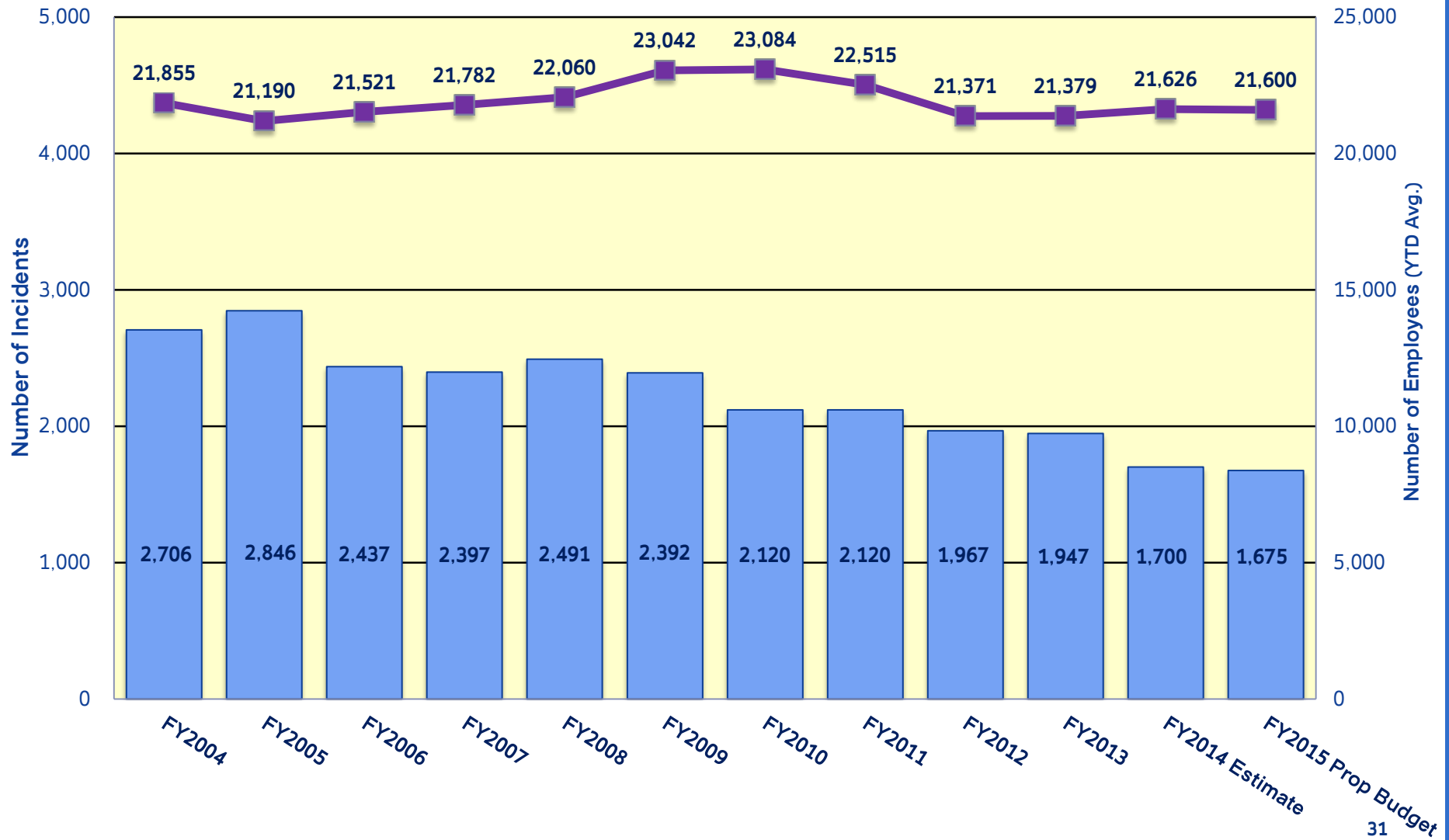
Workers' Compensation Total Claims Cost (in millions)



WC Incidents & Paid Losses by Year of Injury Occurrence



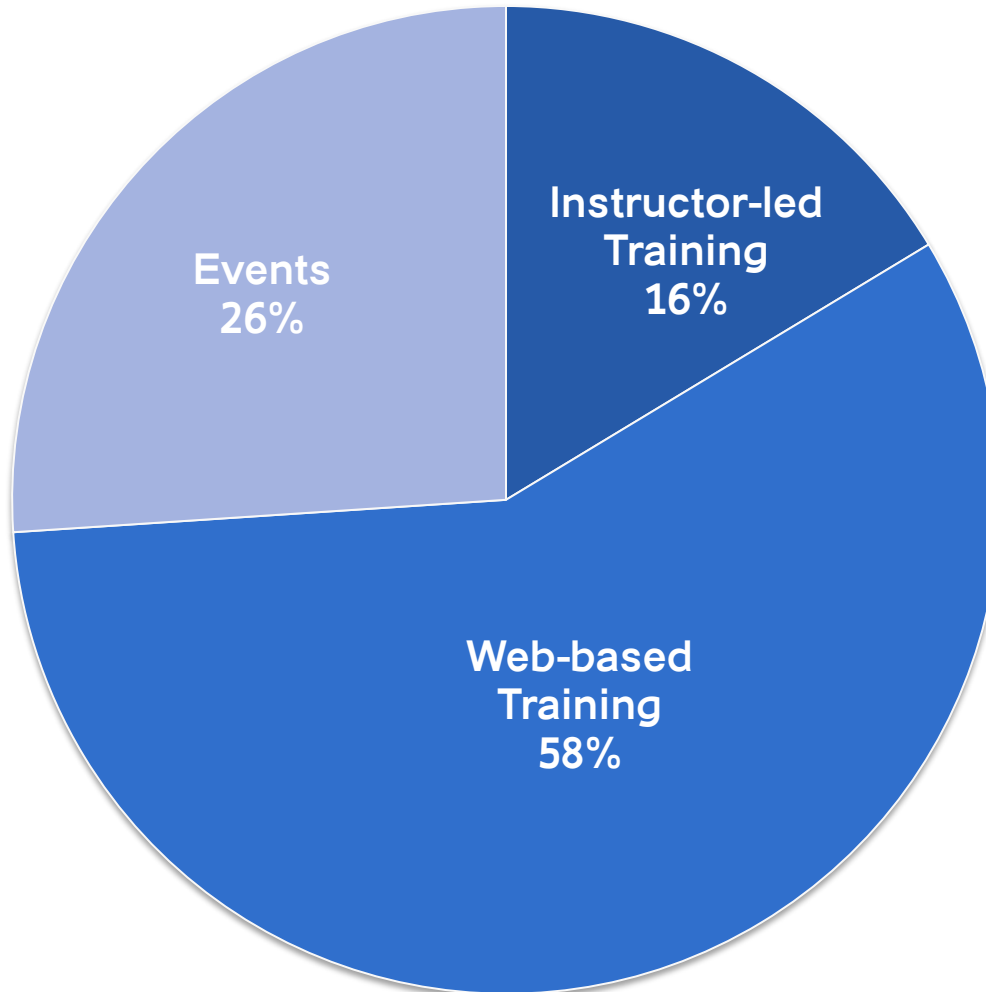
Workers' Compensation Incidents



- FY14 Statistics
 - July 1, 2013 – June 2, 2014
 - Instructor-led (face-to-face) Training
 - **5,610**
 - Events (meeting, seminar or workshop)
 - **8,936**
 - Web-based Training
 - **19,763**

Learning & Development Center

Attendance Type



Learning & Development Center

Top 10 Web-based Training Courses

1.	Executive Order 1-50: Workplace Discrimination and Harassment Annual Training	9,276
2.	Hazard Communication	2,683
3.	Cyber Security Awareness - Level I	2,049
4.	Administrative Procedure 3-20 (HEAR)	1,224
5.	A Real World Guide to Diversity	1,064
6.	Marketplace Health Insurance Overview 101	939
7.	Cyber Security Awareness - Level II	901
8.	Lean Six Sigma-White Belt	345
9.	Evacuation Procedures for 8000 N. Stadium Drive	315
10.	TCLEOSE Intermediate Spanish-Test Out	227
GRAND TOTAL		19,023

Learning & Development Center

Top 10 Instructor-led Training Courses

1.	Defensive Driving (DDC)	1,042
2.	New Employee Orientation (NEO)	446
3.	Houston Permitting Center Customer Service Training	445
4.	KRONOS - Managing Timecards and Schedules	378
5.	Houston Employee Assessment and Review (HEAR) Process for Supervisors and Managers	253
6.	Employee Training on KRONOS Use	211
7.	Word 2010 - Level 1	188
8.	HR Director Town Hall Meeting	173
9.	Excel 2010 - Level 1	142
10.	SAP Overview	139
GRAND TOTAL		3,417

Learning & Development Center

■ Executive Order 1-50

RANK	DEPARTMENT	COMPLETED	REGISTERED	TOTAL	% COMPLETE
1	HR*	248	8	256	96.88%
2	FMD*	315	46	361	87.26%
3	LGL	158	34	192	82.29%
4	HEC*	183	56	239	76.57%
5	DON	116	36	152	76.32%
6	HPL	399	154	553	72.15%
7	GSD	199	78	277	71.84%
8	ARA*	257	117	374	68.72%
9	PR	630	293	923	68.26%
10	HITS*	156	74	230	67.83%
11	HHS	768	412	1180	65.08%
12	HAS*	779	530	1309	59.51%
13	MCD*	212	152	364	58.24%
14	PWE*	2116	1669	3785	55.90%
15	HFD*	2235	1826	4061	55.04%
16	CTR	32	34	66	48.48%
17	FIN	69	83	152	45.39%
18	HCD	66	91	157	42.04%
19	MYR	38	54	92	41.30%
20	SWD	173	273	446	38.79%
21	OBO	12	20	32	37.50%
22	PD	24	60	84	28.57%
23	CEF	4	15	19	21.05%
24	CNL	12	78	90	13.33%
25	CSC	0	12	12	0.00%
GRAND TOTAL		9201	6205	15406	59.72%